

\$7 million of federal funds celebrated in Northeast Kingdom

By Dan McLean
Free Press Staff Writer

August 11, 2006

The distribution of more than \$7 million of federal grants and low-interest loans to 19 institutions throughout the Northeast Kingdom was celebrated this week, in part, to thank retiring U.S. Sen. Jim Jeffords for his dedication to the program.

The funds from U.S. Department of Agriculture Rural Development are designed to help create vibrant communities and encourage job growth in rural regions.

"Rural communities play a large role in the strength of our state, and it is gratifying to see the work USDA Rural Development has done in helping the Northeast Kingdom thrive," said Jeffords, I-Vt. "This success is a testament to what we can accomplish when we work together."

The Northeast Kingdom was designated a Rural Economic Area Partnership (REAP) Zone in 2000 -- one of just five such zones in the country, according to the USDA's Rural Development Web site.

Two zones are in North Dakota and include several counties and portions of American Indian reservations; and two locations are in New York state, primarily in Tioga and Sullivan counties.

The Northeast Kingdom's designation as a REAP zone was set to expire in 2005, but Jeffords had it extended until 2010, said Carolyn Lawrence, a spokesman at the Montpelier office of the USDA's rural development program.

"The countryside is dotted with picturesque villages that have lost their economic foundation, leaving behind poverty and a community infrastructure with few means of support," the Web site says of Vermont's northeastern region.

The designation offers the region access to federal funding for business development, job creation, housing, water and sewer and other infrastructure projects. Since being designated in 2000, \$50.9 million in loans and grants has been invested in Caledonia, Essex and Orleans counties.

Thanks, Jim

During Wednesday's ceremony at the Catamount Art Center in St. Johnsbury, Jeffords and Jolinda LaClair, the state director of the U.S. Department of Agriculture's rural development agency, presented 22 ceremonial checks to the 19 public, private and nonprofit organizations that received funds this year.

"We really wanted to do it before he left because he has really been so involved," Lawrence said of the retiring senator. The federal funding has supported the Northeast Kingdom Human Services Inc. in building a \$3.8 million, 26,000-square-foot facility to handle mental-health, developmentally disabled and substance-abuse issues for outpatients, said Luke Fontaine, the

organization's chief financial officer. The facility on Portland Street in St. Johnsbury is scheduled to open by March.

Important loans

Over the past three years, Northeast Kingdom Human Services has received \$3 million in loans with a 4.5 percent interest rate, and \$40,000 in grants.

"It really did make the difference between being able to go forward and put this facility on line and finding another source of funding which would have been more costly," Fontaine said of the 30-year loan. "It was a great benefit to us."

The Northern Community Investment Corp. received a \$750,000, 1 percent loan and a \$200,000 grant.

"They are really crucial to us," said Kim Tanner, a community development specialist at Northern Community Investment.

The federal loan is distributed to Northeast Kingdom businesses and nonprofits in the form of low-interest loans. The grant will create a technical assistance fund to offer emerging rural businesses help in paying for consultants and architects costs incurred during the permitting process. The fund will cover roughly three-quarters of the costs, she said.

"Some are just barely getting by," Tanner said of local businesses, "and we hope this will give them a goal for the future and help them continue to grow."